

# The President's Daily Brief

6 July 1970

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# THE PRESIDENT'S DAILY BRIEF

6 July 1970

#### PRINCIPAL DEVELOPMENTS

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Fighting in Cambodia flared up again yesterday after a lull of several days. (Page 2)	
A study of the battle statistics shows little change in the level of Communist activity in South Vietnam's III and IV corps during the two months of US - South Vietnamese operations in Cambodia. (Page 3)	
In Moscow, no leadership changes were announced at the central committee plenum, which concentrated mainly on agricultural policy. (Page 4)	
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The status of the oil price negotiations in Libya is outlined on $Page \ 6$ .	
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The military situation in Laos has been fairly quiet	

FOR THE PRESIDENT ONLY

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Declassified in Part - Sanitized Copy Approved for Release 2016/04/27 : CIA-RDP79T00936A008500060001-7

# USSR-ISRAEL-EGYPT

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#### CAMBODIA

The Communists briefly but sharply attacked the district town of Saang, twenty miles south of Phnom Penh, yesterday. Government defenders suffered over a hundred casualties before the Communists withdrew. Enemy forces still seem to be in the area. Saang was last attacked in late April, at the time raising fears that the Communists were moving on Phnom Penh.

To the southeast, the Communists are renewing pressure near Svay Rieng city. Positions to the south and west of this provincial capital were attacked over the weekend, and there was one minor ground action on the outskirts of the city itself. The Communists also attacked South Vietnamese forces in the area.

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#### SOUTH VIETNAM

Statistics for the first half of 1970 show little change in the level of Communist military activity in III and IV corps during the two months of US - South Vietnamese operations in Cambodia. Such activity for the past year or so has remained small-scale (company-size or smaller) in nature. Comparing the average number of weekly actions from January through April with May and June, the small-scale attacks dropped by roughly 55 percent (from about 16 to 9) in III Corps but picked up by nearly 30 percent (from about 18 to 24) in IV Corps. The average number of other incidents, including harassment, terrorism, and sabotage, increased somewhat in both regions during May and June.

Most Communist offensive activity in III and IV corps this year has been staged by local force, sapper, and guerrilla units. The bulk of the enemy's main force combat units have been in or near border sanctuaries for over a year; their dispersion or deployment into Cambodia thus has had only a limited effect as yet on the level of Communist activity in South Vietnam.

It will be difficult for the enemy to mount sustained large actions in the southern half of South Vietnam in the near future, but the Communists will probably, at a minimum, maintain recent levels of attacks and harassments. They will also probably seek to exploit any vulnerabilities in allied defenses that might develop as a result of South Vietnamese forces operating in Cambodia.

There are also signs that the Communists may focus more of their activity on the northern half of the country. Communist planners may hope this will relieve some of the pressure on enemy units to the south as they try to recover from the initial allied incursions into their once-secure border bases.

#### USSR

No changes in leadership assignments were announced at the central committee plenum Thursday and Friday, nor was a specific date set for the 24th party congress. Brezhnev simply repeated what he had said on earlier occasions—that a congress would be held this year.

As at most proceedings of late, Brezhnev dominated the two-day session. He presided both days, giving the principal report and a concluding address.

The plenum concentrated on agricultural problems, approving a big if uninnovative program for this sector for the next five-year plan (1971-1975). We see few clues as to the impact of this program on the military's claims for allocations under the five-year plan. Even though this was the first plenum since last December and despite the fact the leadership was even then deep in discussion with Nasir, no report seems to have been given on Soviet foreign policy.

### COMMUNIST CHINA - US

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two MIG-19s may have attempted to engage a US C-130 flying an intelligence collection mission some 100 miles off the east coast of China on 2 July. Two or possibly three other MIG-19s flew defensive cover. Intercepted radar tracking of the latter aircraft caused the C-130 to abort its mission.

The Chinese may have suppressed their radar tracking of the two fighters trying for the intercept. This suggests that the attempt was preplanned.

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The Chinese normally fly defensive patrols against US intelligence collection aircraft flying off their coast, but this is the first time since 1965 that hostile intent against a mission of this type has been detected. It is highly unusual, moreover, for Chinese fighters to fly such a distance from the mainland.

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#### LIBYA

A new round of talks between the government negotiating committee and Esso, the industry leader, began on 30 June in an amicable atmosphere. For the first time, the government lowered its demands in response to an offer made earlier by Esso.

The companies apparently hope to drag out negotiations as long as possible while continuing to produce at maximum levels. The government, on the other hand, is impatient for a quick settlement and has emphasized its mood by limiting the production of some companies, threatening nationalization of other producing companies, and prohibiting the export of natural gas.

On 4 July, the Libyans nationalized the subsidiary facilities of Esso, Shell, and the Italian AGIP. These facilities form only a small part of the total oil industry in Libya, and the companies expect compensation.

The nationalization action will be interpreted as still another move to increase pressure on Western oil interests during the current price negotiations.

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#### NOTES

Laos: The situation has been fairly quiet the past three days. Communist forces in the north are continuing to hinder Vang Pao's attempts to expand his defensive perimeters and are harassing government outposts with occasional mortar attacks. There have been additional reports suggesting an aggressive Communist campaign in the south during the rainy season, but for the last three days there have been only infrequent probes of the remaining Laotian Army and irregular positions on the Bolovens Plateau. Government guerrilla teams have reported some recent successes in interdicting enemy road and river traffic in the panhandle. These operations will spur Communist efforts to eliminate government bases within striking distance of their supply lines.

NATO: The Warsaw Pact proposals on European security are getting a long, cautious look from the Allies, and their representatives are having some trouble deciding what to do next. One point of agreement, amid a flurry of suggestions, is to seek "clarification" of the reduction of force proposal. The British have suggested that the proposition be discussed next fall, perhaps in September at a special ministerial meeting at the UN. The Italians and the French are not too keen on that idea, but the support for it by other NATO members may drag them along.

Bolivia: President Ovando has yielded to the military pressure we noted in The President's Daily Brief of 2 July. He will remove pro-left General Juan Jose Torres from his post as armed forces commander. The removal of the unpopular Torres should resolve the crisis that developed on 30 June when the interior minister threatened to resign unless Torres was replaced. Torres probably will be assigned abroad, perhaps to the Inter-American Defense Board in Washington. The post of armed forces commander in chief apparently will be jointly occupied by the commanders of the three services.